

Weekly Economic Review

Alberta earnings on the rise

Average Weekly Earnings

Widespread earnings growth

Alberta average weekly earnings reached \$1,156 in June, an increase of 5.0% from June 2013 and 0.5% from May. Earnings in the goods-producing sector rose faster than in services, though both sectors posted solid growth. Mining, oil and gas extraction earnings have been rising sharply since October 2013 and in June experienced the fourth consecutive month of double-digit year-over-year (y/y) growth (Chart 1). Average weekly earnings in accommodation and food services spiked in June, up 3.5% from May and 5.4% from June 2013.

Nationally, AWE was \$940, up 3.3% y/y. Growth occurred in both the goods- and service-producing industries. Alberta had the second-highest AWE growth of the provinces, after Newfoundland and Labrador at 6.1% y/y.

Drilling Activity

Natural gas extraction driving drilling activity

Alberta had 254 active rigs drilling in August, up 6.5% from a year ago (Chart 2). This is down from the double-digit year-over-year growth in each of the previous four months. Year to date, the number of active rigs is up 7.0% over the same period of last year. National rig activity expanded 7.4% as expanding natural gas extraction offset declines in oil rig activity.

While statistics on the number of metres drilled in August have yet to be released, June metres drilled were up a substantial 74.3% y/y. Natural gas metres drilled were nearly three times higher than a year ago, the fourth straight month that metres drilled have more than doubled last year's levels. Drilling for natural gas has expanded

rapidly through 2014 in response to higher prices. Based on the more timely rig count statistics, metres drilled likely remained elevated in July and August.

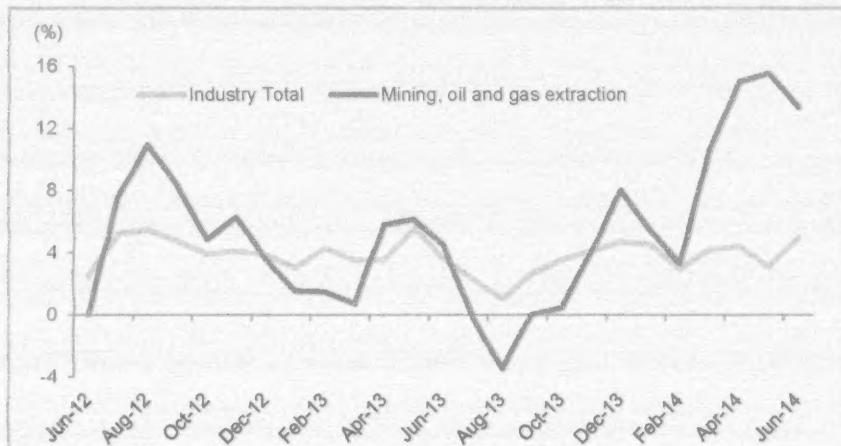
Job Vacancies

Plenty of jobs available

The average number of job vacancies in Alberta was 48,800 for the 3 months ending in May. This is an increase of 1,500 vacancies, or 3.2%, from the same period in 2013. The proportion of jobs that were unfilled was 2.4%, unchanged

Chart 1: Mining, oil and gas extraction posts strong earnings growth

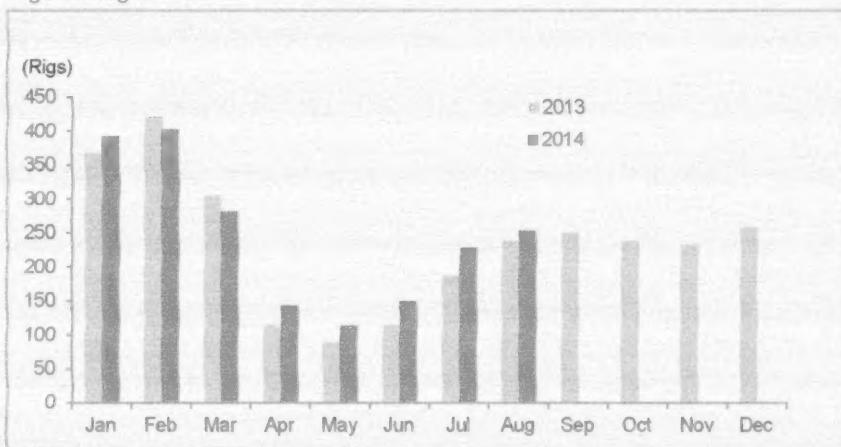
Year-over-year growth of Alberta Average Weekly Earnings



Source: Statistics Canada

Chart 2: Rig activity picks up in 2014

Rigs drilling in Alberta



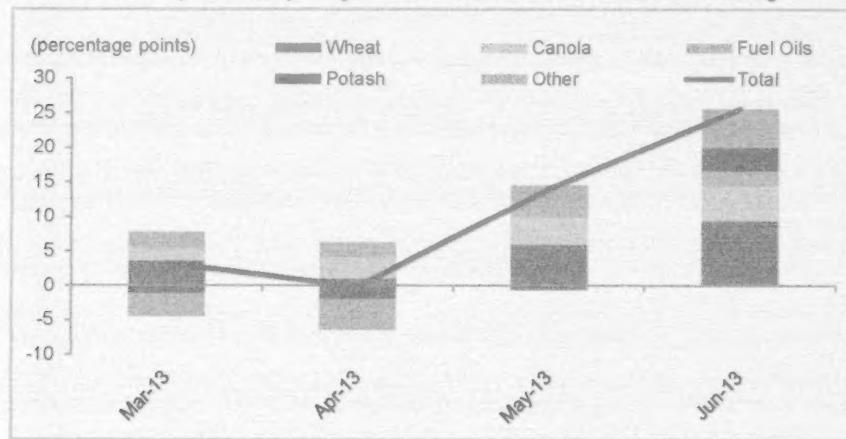
Source: Canadian Association of Oilwell Drilling Contractors

from the previous three month period. The accommodation and food services industry continues to have the highest number of job vacancies by a large margin, with 13,500 vacant positions, an increase of 37.8%, from last year. The proportion of accommodation and food services jobs that were unfilled was 7.5%.

Nationally, the average number of job vacancies was 240,400 in the 3 months ending in May, an increase of 6.1% y/y from the same period last year. The percentage of unfilled positions was 1.6%. The highest job vacancies were in accommodation and food services, closely followed by health care and social assistance.

Chart 3: Farm products drive growth in rail movements

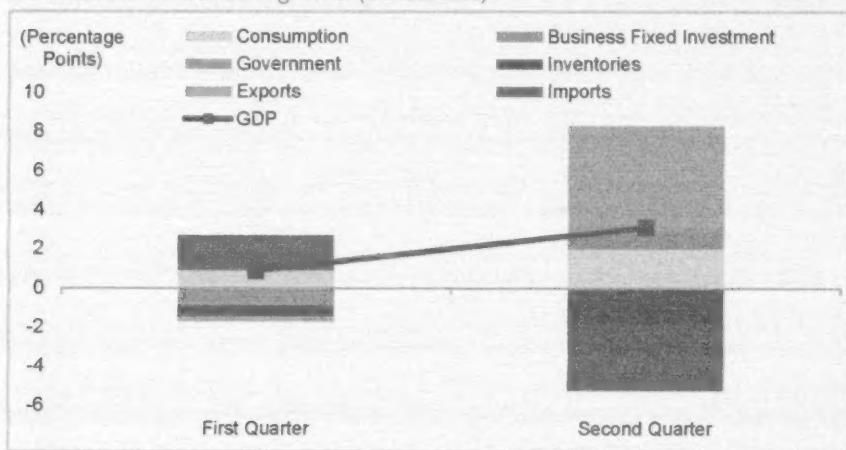
Contribution to year-over-year growth of Western Canada railcar loadings



Source: Statistics Canada

Chart 4: Exports drive Canadian real GDP growth

Contribution to real GDP growth (annual rate)



Source: Statistics Canada

Rail Transport

Movements of farm products double

Railcar movements in Western Canada increased 25.6% y/y in June, with growth in agricultural carloadings eclipsing all others (Chart 3). Since June 2013, railcar loadings of wheat nearly doubled, and canola nearly tripled, resulting in a doubling in total agricultural car movements. The record number of wheat cars on the tracks was influenced by last year's bumper crop and new grain transportation regulations, which require a minimum amount of grain be transported each week until November 29th. Meanwhile, movements of crude products rose by 32.8% y/y and coal products by 13.6%. Potash and lumber rose above last year's levels for the first time in four months, coinciding with a strong month of production in Western Canada. Railcar loadings in the first half of 2014 were up 5.7% over the first half of 2013.

Canadian Real GDP

Growth spikes in second quarter

Canadian real GDP increased at an annual rate of 3.1% during the second quarter, the largest growth rate since the third quarter of 2011 and a marked improvement over a disappointing first quarter. GDP growth was broad-based (Chart 4), led by exports, which increased at an annual rate of 17.8% to the highest level since 2007. Canada's export growth likely benefited from a strong second quarter in the US. Domestic demand was also a major source of growth, with household consumption up 3.8% and residential investment up 11.9%.

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Please see the [Alberta Economy- Indicators at a Glance](#) for a snapshot of Alberta indicators.